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3. On the capital side, the total expenditure during the year was only Rs 45·37 lakhs against Rs 60·65 lakhs anticipated in the Budget Estimates. This was due, as the House is well aware, to the difficulties in getting the necessary machinery and other materials from abroad.

REVISED ESTIMATES—1120

4. I shall now pass on to the current year. When framing the Budget Estimates for the year we anticipated a revenue realisation of Rs 532·19 lakhs and provided for a programme of expenditure charged to revenue of Rs 461·33 lakhs, thus leaving a revenue surplus of Rs 70·86 lakhs. But in the light of the actual experience of the previous months of the year and on the basis of the figures booked so far, the revenue is expected to mount up to Rs 607·12 lakhs, which is exceeded only by the revenues of Mysore and Hyderabad among the Indian States. The expenditure charged to revenue at the end of the year is expected to stand at Rs 440·67 lakhs with the result that the year is expected to close with a revenue surplus of Rs 166·45 lakhs, as against the budget forecast of Rs 70·86 lakhs. The variations between the Budget and the revised estimates, both on the revenue and the expenditure sides, are as usual explained in the Budget Memorandum, copies of which are placed on the table along with copies of the Budget Estimates for the next year. I shall therefore be needlessly taxing the patience of the House, if I were to go into the details of such variations, instead of just mentioning the more salient features of the changes. The anticipated increase in revenue is most conspicuous under Customs, Excise, Interest, Taxes on Income, our Industrial and Commercial undertakings, including specially the State Transport and to a lesser extent under Forests, Railways and Stamps, set off by a slight deterioration under Land Revenue and Registration. The increase under Customs is mostly under Land Customs, supplemented by an increase under Excise duty on matches, including the contributions from the Government of India. Abkari takes up the lion's share of the appreciation of the revenue under Excise. The substantial increase under Taxes on Income is the natural result of the large profits derived from war contracts and other business, as also to the assessment of Agricultural Incomes, under which have been brought our large Rubber, Tea and Cardamom Estates. The receipts under interest are expected to mount up by about two thirds more than the original anticipations on account of our large investments. The increase in traffic, both

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passenger and goods, accounts for the improvement of the revenue under the State Transport Scheme.

5. On the expenditure side, the revised estimates are less than the Budget Estimates by Rs 20·66 lakhs. The House will certainly demand an explanation for this large variation. Let me assure the Honorable Members that this was by no means the direct result of an over-pitched expenditure Budget, but due to circumstances which could not be foreseen with any degree of vigilance or over which we had no control whatsoever. As the House is aware, we had included in the Budget for the current year lump sum provisions for several ameliorative measures, mostly in the nature of Post-war Reconstruction Works, in the hope that the war, at least in the Western Zone, would come to a successful termination much earlier than it has actually done. These schemes could not therefore be pushed through, as originally anticipated at the time of framing the Budget Estimates for the current year. But I hope that the House will not be led away by the idea that these schemes are being dropped or these funds allowed to lapse; for the Honorable Members will recollect what I had said in my Budget speech last year that the principle of budgeting, especially in regard to these schemes of Post-war Reconstruction, has, for the reasons then explained, been changed from the customary single-year basis to a three year plan. I can therefore boldly assure the House that the curtailment of the programme of expenditure does not in any way signify the abandonment of the schemes concerned. The unexpended funds will be carried forward to the Post-war Reconstruction Fund to be drawn upon from time to time for financing these and other schemes. In this connection, the House will allow me to repeat, what is perhaps not unknown to them, that, with a view to the speedier execution on systematic and organised lines in coordination with the Government of India, of our Post-war Reconstruction Schemes, the Government have appointed a Post-war Reconstruction Officer and it is hoped that this appointment will have the desired effect of pushing through the Post-war Schemes with the utmost possible expedition.

The general savings in expenditure are set off to some extent by a slight increase in expenditure on account of our contributions to the War Fund. Though there was only a provision of Rs 3 lakhs in the current year's Budget for the purpose, the actual expenditure so far incurred amounts to over Rs 4 lakhs. With this payment our total contributions in aid of war stand at Rs 28·5 lakhs, besides placing at the disposal of the Allies our

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Infantry Units. As already stated last year, this contribution includes the Trawler *H. M. I. S. Travancore,* costing Rs 6·5 lakhs and also the Fighter Planes contributed to the Royal Air Force.

As a net result of the several variations in revenue and expenditure between the Budget and the revised estimates, the current year is as already stated, expected to close with a revenue surplus of Rs 166·45 lakhs as against the Budget forecast of Rs 70·86 lakhs. The entire surplus of Rs 166·45 lakhs will be credited to the Post-war Reconstruction Fund to be drawn upon only for financing schemes of Public utility and reconstruction measures.

6. Our capital programme for the current year which was estimated to work up to Rs 68·92 lakhs is expected actually to stand at Rs 72·80 lakhs, the increase being under Pallivasal Hydro-Electric Scheme set off by decrease under the State Transport Scheme on account of a portion of the depreciation fund being proposed to be utilised for renewals, leaving unspent the provision made therefor in the Budget.

BUDGET ESTIMATES—1121

7. I shall now deal with the Budget estimates for the ensuing year. The total revenue for the next year is estimated to stand at Rs 623·65 lakhs, a figure which, as already stated by me, has so far been reached only by Mysore and Hyderabad among the Indian States. Taking into account the degree of approximation between the revised and the Budget Estimates for the current year, the upward trend of prices, the enhanced spending power of the labouring classes, the economic prosperity of the businessmen and other relevant factors, our estimate of revenue for the next year is admittedly conservative. Though the increase in revenue anticipated for the ensuing year, as compared with the revised estimates for the current year is, to some extent, evenly distributed among the revenue items, the increase is marked under Taxes on Income, Excise, Customs and Currency and Mint and under Forests in a lesser degree. Under Taxes on Income, the enhancement of revenue is due to better collections and to the levy of the Excess Profits Tax and the Supertax as also to the proposed extension of the scope of Agricultural Income Tax, so as to bring within its purview the owners of large cocoanut gardens and the money crop estates. 'Currency and Mint' is expected to show an improvement of revenue on account of the expected gain on the proposed further

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